

## Message Text

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ACTION NEA-10

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E.O. 11652: N/A  
TAGS: ELAB, SA  
SUBJ: LABOR PROBLEMS AT NEW JIDDA AIRPORT ERUPT IN SHORT-LIVED  
STRIKE

1. SUMMARY. PAKISTANI LABORERS UNDER CONTRACT TO HOCHTIEF A.G., THE  
CONTRACTOR FOR THE NEW JIDDA INTERNATIONAL AIRPORT, STAGED A  
STRIKE ON AUGUST 29, 30 AND 31, 1976 BASED ON PAY DISPUTE  
WITH THE GERMAN FIRM. THE STRIKE WAS FORCIBLY PUT DOWN BY  
THE SAUDI POLICE ASSISTED BY THE ARMY. IN A MELEE OF STONE THROWING  
AND OFFICIAL SUPPRESSION, SOME WORKERS WERE HOSPITALIZED  
AND 17 RING LEADERS WERE ARRESTED. THE MATTER HAS BEEN FULLY  
SETTLED BY SAUDI AUTHORITIES AND WORK ON THE PROJECT IS  
PROCEEDING NORMALLY. SOME REPERCUSSIONS ARE EXPECTED.  
END SUMMARY.

2. DESPITE ABSENCE OF ANY PRESS REPORTS ON THE LABOR DISPUTE  
AT THE NEW JIDDA AIRPORT PROJECT, EMBASSY OFFICERS  
LEARNED THAT 30 POLICE CARS AND SOME ARMY ELEMENTS  
HAD BEEN DISPATCHED TO THE SITE TO QUELL A LABOR  
DISTURBANCE. OFFICIAL SOURCES CONTACTED TO CON-  
FIRM THE REPORT DISMISSED IT AS A "SIMPLE MISUNDERSTAND-  
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ING THAT WAS NOW FULLY RESOLVED."

3. THE LABOR DISPUTE WAS BASED ON A COMBINATION OF PAY AND ALLOWANCES CLAIMS BY THE PAKISTANIS. AN AIRWAYS ENGINEERING REPRESENTATIVE, JOHN CRABTREE, STATED THAT HIS INFORMATION REGARDING THE CAUSE OF THE DISPUTE WAS THAT THE LABOR CONTRACTOR WHO HAD RECRUITED THE PAKISTANIS WAS WITHHOLDING SR 45 OF THE DAILY PAY OF THE WORKERS WHO GOT SR 25 PER DAY PLUST BOARD AND ROOM IN HOCHTIEF FACILITIES AT THE SITE. CRABTREE STATED THAT THE WORKERS WERE DEMANDING MORE PAY, AT LEAST MORE OF A SHARE OF THE AMOUNT WITHHELD. JOCHEM STEIN (GERMAN) HOCHTIEF SUPERVISOR, INFORMED AN EMBASSY OFFICER THAT THE MATTER WAS SOMEWHAT MORE COMPLEX. IT SEEMS THAT SOME OF THE PAKISTANIS WERE WORKING ON THEIR DAYS OFF AT THE PORT OF JIDDA AND THEN RETURNING TO THEIR QUARTERS PROVIDED BY HOCHTIEF FOR FOOD AND SUSTENANCE, ALL AT THE GERMAN COMPANY'S EXPENSE. HOCHTIEF EXPLAINED THAT THE PURPOSE OF DAYS OFF WERE FOR REST SO THAT EFFICIENCY ON THE AIRPORT CONSTRUCTION WOULD BE BETTER. SINCE THE PAKISTANI WORKERS' OUTPUT WAS ACTUALLY DECLINING, HOCHTIEF DECIDED TO CEASE SUBSIDIZING ROOM AND BOARD AND STARTED TO DEDUCT COSTS FROM THE PAKISTANI WORKERS - IN EFFECT CHARGING THEM FOR THE DAYS WORKED ELSEWHERE.

4. ABOUT 50 OF THE PAKISTANIS DEMONSTRATED ABOUT THIS ON AUGUST 28 WITHOUT EFFECT. ON THE 29TH, THEY ENLISTED THE SUPPORT OF OTHER PAKISTANIS UNDER, AS THE HOCHTIEF REPRESENTATIVE STATED, THREATS OF RECRIMINATION AGAINST FAMILIES IN PAKISTAN. MR STEIN DESCRIBED IT AS A PAKISTANI MAFIA EXERCISE. THE NUMBER OF DEMONSTRATORS GREW ON THE 30TH AND WORKERS WHO REFUSED TO ENGAGE IN THE STRIKE, AS WELL AS SOME SUPERVISORY PERSONNEL, WERE STONED BY THE DISSIDENTS. ON AUGUST 31, THE SITUATION BECAME SERIOUS ENOUGH TO SUMMON THE SAUDI POLICE, WHO SEEING THE MAGNITUDE OF THE PROBLEM CALLED FOR SAUDI ARMY ASSISTANCE TO QUELL THE STRIKE. SEVENTEEN STRIKE LEADERS WERE ARRESTED. SOME OF THE NON-PARTICIPANTS HAD TO BE HOSPITALIZED DUE TO STONING INJURIES.  
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5. ACCORDING TO HOCHTIEF'S SUPERVISOR, MR STEIN, THE PROBLEM IS NOW RESOLVED. SOME OF THE PAKISTANIS MAY BE DEPORTED. HE STATED THAT THE SAUDI OFFICIALS POINTED OUT TO THE STRIKERS THAT STRIKES ARE ILLEGAL IN SAUDI ARABIA. THE SAUDI POLICE ADVISED WORKERS TO PRESENT THEIR GRIEVANCES IN THE FORMAT PROVIDED BY SAUDI LAW TO THE MINISTRY OF LABOR AND SOCIAL AFFAIRS,

AND WERE WARNED REGARDING FUTURE SUCH LABOR DISTURBANCES.

6. COMMENT: THE SITUATION BECAME SERIOUS ENOUGH TO REQUIRE THE INTERCESSION AT THE PROJECT OF THE PAKISTANI AMBASSADOR. IF IT WERE NOT FOR THE FACT THAT THE AIRPORT PROJECT HAS SUCH HIGH PRIORITY FOR COMPLETION AND IS NOW BEHIND SCHEDULE, LOCAL OBSERVERS BELIEVE THAT ALL OF THE PAKISTANIS WOULD HAVE BEEN DEPORTED. THE PROBLEM OF WORKERS SHIFTING JOBS HAS GIVEN THE SAG SOME CONCERN RECENTLY. IN THE PAST WEEK, PRESS ARTICLES HAVE APPEARED WARNING IMPORTED LABORERS THAT THEY COULD NOT LEGALLY WORK FOR ANYONE OTHER THAN THEIR ORIGINAL SPONSORS IN SAUDI ARABIA. WHETHER THESE GOVERNMENT INSPIRED ARTICLES WERE DIRECTED SPECIFICALLY AT THE HOCHTIEF EMPLOYEES IS NOT CERTAIN, BUT THE PROBLEM HAS BECOME RIFE IN THE JIDDA LABOR MARKET. WORKERS RECRUITED A YEAR AGO AT A FIXED SCALE OF PAY ARE SHOWING MORE AND MORE DISSATISFACTION AS COSTS RISE FOR AMENITIES NOT PROVIDED BY THE EMPLOYER, AND NEW ARRIVALS' PAY RATES ARE SOMETIMES DOUBLE. AS FAR AS CAN BE ASCERTAINED, THERE ARE NO ESCALATION CLAUSES FOR WORK CONTRACTS. IT MIGHT BE OF INTEREST TO NOTE THAT DAY HIRE LABOR PAY RATES AT THE PORT AND MOST CONSTRUCTION JOBS IN JIDDA ARE NOW AVERAGING SR 80 DAILY. DISSATISFACTION IN THE IMPORTED LABOR RANKS, OTHER THAN THE WELL DISCIPLINED KOREANS, IS BOUND TO RISE AND CAUSE MORE PROBLEMS. NO IMMEDIATE SOLUTION TO THIS VEXING PROBLEM IS FORESEEN.

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